

2003 REPORT ON MARYLAND OCCUPANCY RATES AND UTILIZATION BY PAYMENT SOURCE

TRENDS IN NURSING HOME OCCUPANCY: 1996 TO 2003

Occupancy increased between fiscal years 2000 and 2002, then remained stable in 2003. In 1996, statewide occupancy was 91.62 percent. In 1997, statewide bed capacity increased by one percent and occupancy decreased by three percent. This marked the beginning of a downward trend in occupancy that continued until 2000. To manage decreasing occupancy rates, facilities temporarily de-licensed beds starting in 1997. Bed

capacity continued to fall through 2003, which helped occupancies rebound beginning in 2000 (Figures 1 and 2).

STATEWIDE UTILIZATION BY PAYMENT SOURCE

The Maryland Medical Assistance Program paid for 62 percent of nursing home patient days in 2003. Private pay was a distant second (22 percent), while Medicare paid for 13 percent of patient days. Other payment sources accounted for only 3 percent of nursing home patient days. Of the 245 nursing homes licensed in 2003, 93 percent participated in the Medicaid program (Figure 3). Fourteen of the seventeen that did not participate were located in CCRCs. ECFs and acute hospital-based facilities had the highest percentage of Medicare days at 86.78 and 80.92 percent, respectively. The highest percentage of private pay days were in CCRCs at 65.58 percent. Non-acute hospital-based nursing facilities and freestanding facilities had the highest percentage of Medicaid days at 76.27 and 67.97 percent, respectively. Facilities with 100 to 199 beds had the highest percentage of Medicaid patient days at 66.30 percent

FIGURE 1: TRENDS IN STATEWIDE OPERATING OCCUPANCY RATES AND CHANGE IN OPERATING BED CAPACITY: MARYLAND, SELECTED FISCAL YEARS 1996 - 2003

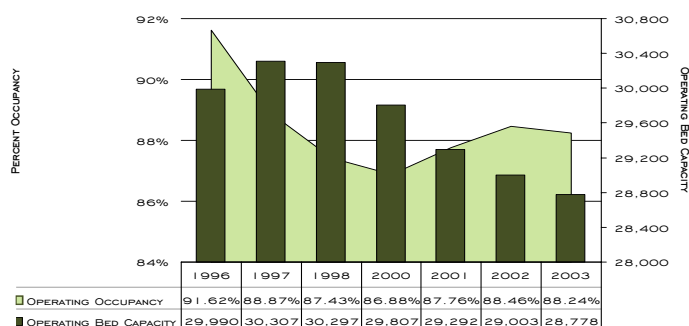


FIGURE 2: TRENDS IN NURSING HOME PATIENT DAYS AND PERCENT OCCUPANCY: MARYLAND, SELECTED FISCAL YEARS 1996 - 2003

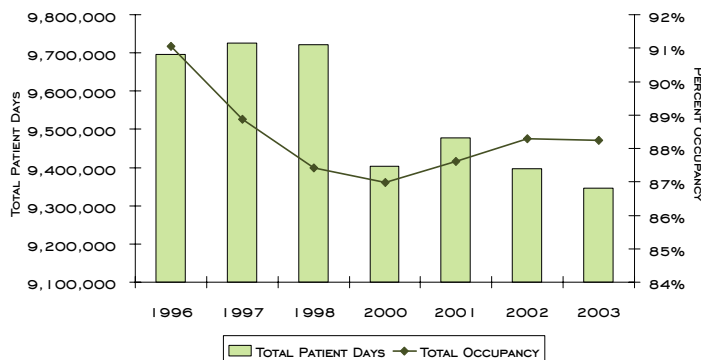
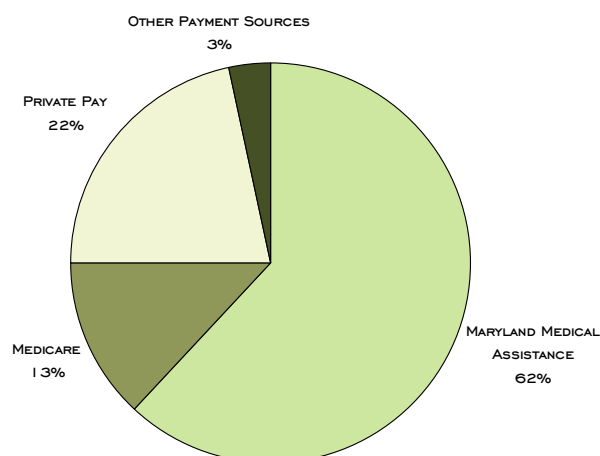


FIGURE 3: DISTRIBUTION OF NURSING HOME PATIENT DAYS BY MAJOR PAYMENT SOURCE: MARYLAND, FISCAL YEAR 2003



2003 REPORT ON MARYLAND OCCUPANCY RATES AND UTILIZATION BY PAYMENT SOURCE

TABLE 2: STATEWIDE MEDICAID UTILIZATION STATISTICS: MARYLAND, 2003

FACILITY TYPE	MEDICAID AS A PERCENT OF TOTAL PATIENT DAYS
NON-ACUTE HOSPITAL-BASED SNFS	76.27%
ACUTE HOSPITAL-BASED SNFS	2.10%
ECFs	2.29%
FREESTANDING FACILITIES	67.97%
CCRCs	25.12%
FACILITY CAPACITY	
<50 BEDS	30.23%
51-99 BEDS	55.19%
100-199 BEDS	66.30%
200+ BEDS	60.07%
FACILITY MEDICAID UTILIZATION	PERCENT OF FACILITIES
<40%	19.30%
40%-59%	13.16%
60%-89%	64.04%
90% AND ABOVE	3.51%

(Table 2 and Figure 4). The lowest percentage of Medicaid days was in facilities with less than 50 beds. Eighteen percent of Maryland nursing homes had less than 40 percent of patient days paid by Medicaid. Sixty-two percent of Maryland nursing homes had 60 percent or more of patient days paid for by Medicaid. Only about 3 percent of nursing homes reported Medicaid patient days of 90 percent or above.

REGIONAL UTILIZATION PATTERNS

The highest Medicaid utilization was experienced in the Central Maryland region (65.23 percent), while the lowest was in Montgomery County (52.37 percent). By county, the highest Medicaid utilization rate occurred in Somerset County (79.61 percent). The lowest rate was also on the Eastern Shore in Talbot County (48.51 percent). Talbot County has only three nursing homes, two of which are an acute hospital-based, skilled nursing facility and a CCRC. These two types of facilities typically have low Medicaid utilization (Figure 5).

FIGURE 4: DISTRIBUTION OF NURSING HOME PATIENT DAYS BY MAJOR PAYER SOURCE AND FACILITY TYPE: MARYLAND FISCAL YEAR 2003

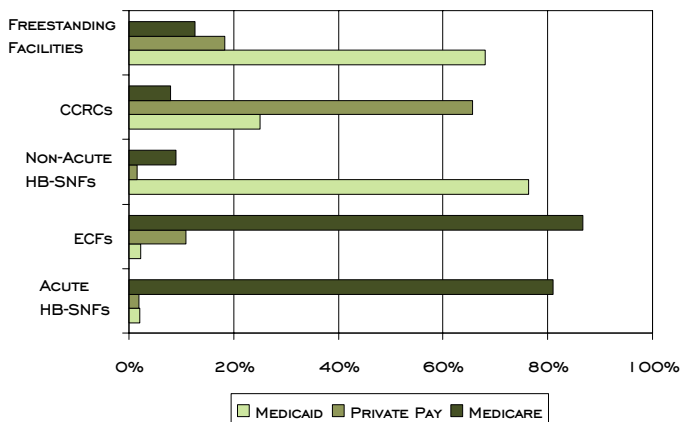
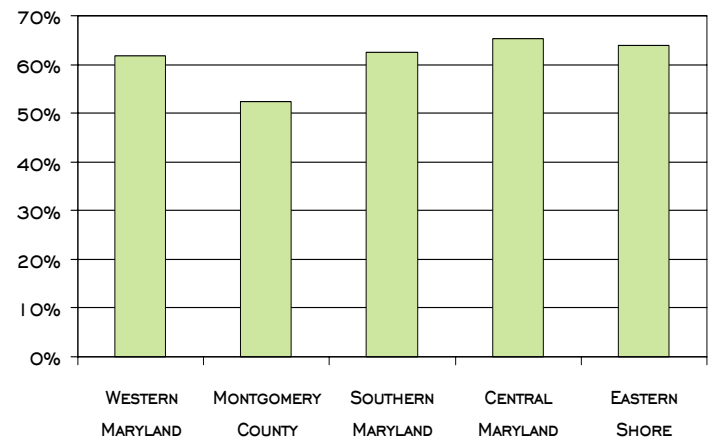


FIGURE 5: NURSING HOME MEDICAID UTILIZATION BY REGION: MARYLAND, FISCAL YEAR 2003



2003 REPORT ON MARYLAND OCCUPANCY RATES AND UTILIZATION BY PAYMENT SOURCE

TRENDS IN NURSING HOME UTILIZATION BY PAYMENT SOURCE

The number of Medicare patient days increased by 63 percent between fiscal years 1996 and 2003. This increase has been attributed, in part, to the growth of acute hospital-based, skilled nursing facilities in the mid 1990s. Medicare days have also increased in freestanding skilled nursing facilities. Medicaid days have shown a concurrent decrease in the same time period. Medicaid days decreased by about seven percent, but because Medicaid is such a majority payer for nursing home patient care,

FIGURE 6: TRENDS IN NURSING HOME MEDICARE PATIENT DAYS AND PERCENT OF TOTAL: MARYLAND, SELECTED FISCAL YEARS 1996 - 2003

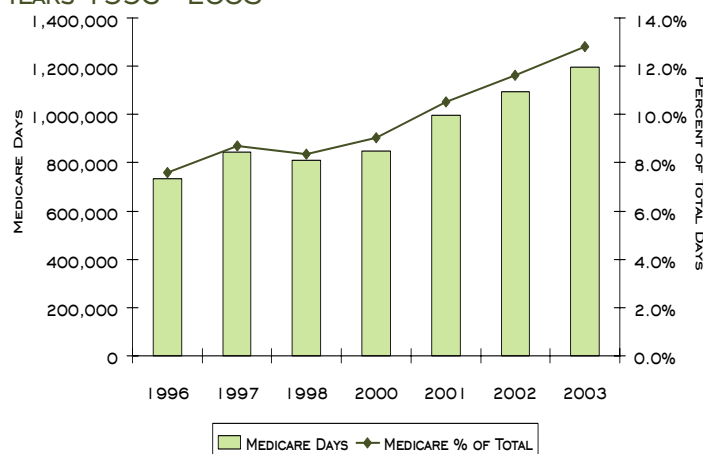


FIGURE 7: TRENDS IN NURSING HOME MEDICAID DAYS AND PERCENT OF TOTAL DAYS: MARYLAND, SELECTED FISCAL YEARS 1996 - 2003

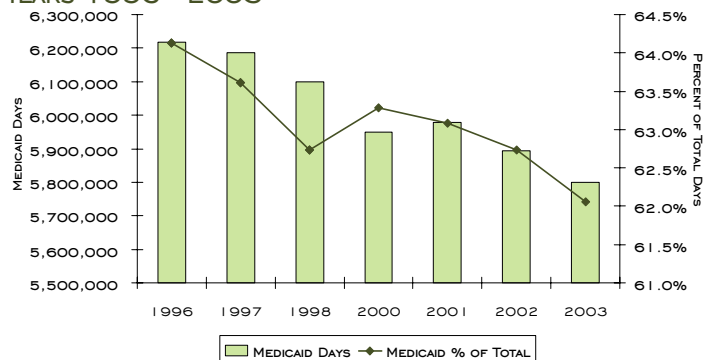
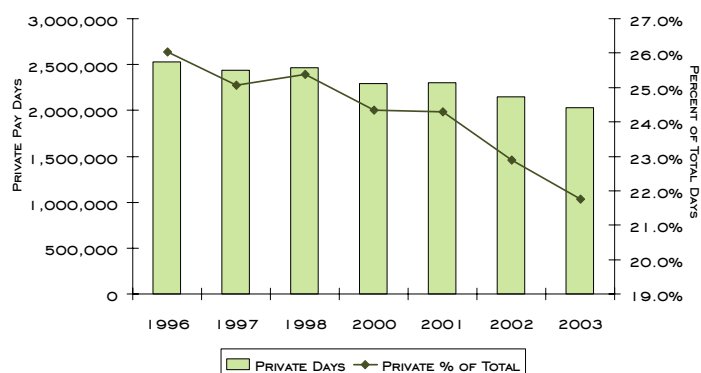


FIGURE 8: TRENDS IN NURSING HOME PRIVATE PAY PATIENT DAYS AND PERCENT OF TOTAL: MARYLAND, SELECTED FISCAL YEARS 1996 - 2003



the percent of total days of care decreased only about 3 percent. Private pay days have also decreased by 19 percent and percent of total days by 16 percent. Figures 6 through 8 show trends in patient days by major payer and the corresponding percent of total patient days.

CONCLUSION

Overall utilization of nursing homes has decreased since the mid 1990s, which is reflected in decreased occupancy, bed capacity and patient days. To a certain extent, nursing homes have adjusted to these changes by decreasing bed capacity as well as developing other settings for care. Increasingly, Medicare has become a significant payer for nursing home care, while private pay has decreased. Despite the decrease in Medicaid as a payer source, it remains the majority payer for nursing home care.

The full 2003 Report on Maryland Nursing Home Occupancy Rates and Utilization by Payment Source is available as a web-based report at www.mhcc.maryland.gov.



MARYLAND
HEALTH CARE
COMMISSION

HIGHLIGHTS

2003 Report on Maryland Nursing Home Occupancy Rates and Utilization by Payment Source

DECEMBER 2005

INTRODUCTION

The 2003 Report on Maryland Nursing Home Occupancy Rates and Utilization by Payment Source summarizes data on the occupancy levels and patient days by payment source of licensed nursing homes in Maryland, including comprehensive care beds located in continuing care retirement communities (CCRCs) and beds in extended care facilities (ECFs). The data provided in the report were obtained from the Maryland Long Term Care Survey and from the Maryland Medical Assistance Program cost reports. The 2003 reporting period is based on each facility's fiscal year. Bed capacity and occupancy are shown in two different ways. Operating bed capacity and occupancy are the primary focus of the report and reflect the number of beds that the facility operates after deducting temporarily de-licensed and restricted beds. The report also includes statistics on the licensed occupancy and capacity of nursing homes, which *includes* temporarily de-licensed and restricted beds.

STATEWIDE OPERATING OCCUPANCY RATES

Statewide nursing home occupancy in 2003 was 88.24 percent. Occupancy by facility type was highest in non-acute, hospital-based skilled nursing facilities (SNFs) (91.51 percent) and lowest in ECFs (55.91 percent) and acute hospital-based nursing homes (78.12 percent). Freestanding nursing homes were the most common setting and had occupancies of 88.57 percent in 2003. The majority of nursing homes were in the 100 to 199 bed capacity range. These facilities had the highest occupancy at 89.63 percent. Facilities with less than 50 beds had the lowest occupancy experience (77.89 percent). The distribution of nursing homes by occupancy rate shows that about 30 percent of nursing homes had occupancies of less than 85 percent, while 20 percent had occupancies above 95 percent (Table 1).

TABLE 1: STATEWIDE OPERATING OCCUPANCY STATISTICS:
MARYLAND, 2003

FACILITY TYPE	OCCUPANCY
NON-ACUTE HOSPITAL-BASED SNFs	91.51%
ACUTE HOSPITAL-BASED SNFs	78.12%
ECFs	55.91%
FREESTANDING FACILITIES	88.57%
CCRCs	86.72%
FACILITY CAPACITY	
<50 BEDS	77.89%
51-99 BEDS	87.51%
100-199 BEDS	89.63%
200+ BEDS	86.89%
FACILITY OCCUPANCY	PERCENT OF FACILITIES
BELOW 85%	29.39%
85%-94%	50.20%
95% AND OVER	20.41%

REGIONAL OPERATING OCCUPANCY RATES

Of the five Maryland regions, Western Maryland had the highest occupancy (90.39 percent) in fiscal year 2003. The Southern Maryland region (89.82 percent) ranked second followed by Montgomery County (88.36 percent). Central Maryland and the Eastern Shore experienced occupancy rates of 87.65 and 86.27 percent, respectively. The highest occupancy occurred in Allegany County (95.76 percent) and the lowest occurred in Talbot County (79.17 percent) in fiscal year 2003.



MARYLAND
HEALTH CARE
COMMISSION



MARYLAND
HEALTH CARE
COMMISSION

